

Approach A

SUBSIDIZING CONSUMPTION AT HOME AND ABROAD

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Programs to subsidize the consumption of agricultural products at home or abroad may be used: (1) to improve nutrition, (2) as an instrument of foreign policy, and (3) to dispose of surpluses.

In practice most proposals relating to all three appear to be motivated by large stocks of certain farm commodities combined with continued production in excess of market demand. One reason for this is that much of the political support for the programs comes from those desiring a reduction in CCC holdings rather than those desiring to improve nutrition or the position of the U.S.A. abroad. Also, under our current economic and political situation, surplus disposal and subsidized consumption are inseparable.¹

Subsidized consumption provides a means for utilizing surpluses. However, consumption subsidies may have additional value in their own right. The challenge, then, is to find a constructive way for subsidy programs to serve the three ends mentioned above. We also need to recognize that a subsidy is in reality a transfer of income or wealth from one group (usually via government) to another. This entails a cost, which must be held within limits if the program is to accomplish its purpose.

THE PROSPECTS OF INCREASED DOMESTIC DISPOSAL

What are the prospects of persuading people to eat more by subsidizing the cost—presumably to low-income and other special groups?

Our current per capita consumption for the adult American is about 3,200 calories per day. Dietary studies show that: (1) more people are overfed than underfed; (2) a nutritionally adequate diet can be provided with considerably fewer resources than are now used; and (3) food expenditures are increased mainly through more consumption

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¹If the term "surplus" is to be meaningful as a basis for discussion and realistic action it must mean surplus at a price (i.e., the excess of amount supplied over the amount demanded at a price). A number of economists estimate the surplus at this time to be from 6 to 8 percent.

of higher priced food, such as meat, dairy products, and fresh fruits and vegetables.

We lack satisfactory knowledge of the degree to which dietary neglect is correlated with income levels. Sorenson suggests that perhaps 10 percent of the population have "poor" diets. Presumably many low-income people in the United States do not have satisfactory dietary levels. However, we do not know how much of the dietary deficiency is due to other causes, e.g., lack of adequate knowledge, high preference for nonfood items, etc. Available studies indicate that deficiencies are found at all income levels.²

The Food Stamp Plan

During 1939-43 qualified persons were allowed to purchase specified quantities of food stamps. For each dollar's worth of orange-colored stamps the purchaser was given a specified number of blue stamps. The orange stamps could be spent for any food items, the blue stamps only for designated (surplus) items. Store operators could then use the stamps for purchases from wholesalers or convert them into cash directly at the government office.³

PROBABLE IMPACT ON CONSUMPTION. The U. S. Department of Agriculture estimated that the stamp plan was fairly successful in overcoming some of the usual difficulties of such plans (e.g., the diversion of subsidy funds to nonfood uses), and the net average increase in total food expenditures was about 75 percent of the value of the "free" stamps. Total food sales increased about 4 percent in some cities where the plan was in operation—even with limited coverage.

A USDA report, using 1955 data, showed that if nonfarm families with annual money incomes of less than \$2,000 had consumed at the rate of families with incomes between \$2,000 and \$3,000, they would have increased their weekly food expenditures by \$7.12.⁴ However, consumption would not have increased in all food categories. Consumption would have decreased primarily in cereals, dried fruits and vegetables. Consumption would have increased in fats, oils, meats,

²Sorenson, Vernon L., "Food Consumption Subsidies for Low-Income Families," *Policy for Commercial Agriculture: Its Relation to Economic Growth and Stability*, Statement before Subcommittee on Agricultural Policy, Joint Economic Committee, Congress of the United States, November 22, 1957, p. 538.

³Experience with the Food Stamp Plan led to proposals for a National Food Allotment Plan, under which families could receive sufficient stamps to purchase a nutritionally adequate, but low-cost, diet in return for 40 percent of their income. For discussion of the plan, see Schickele, Rainer, "The National Food Allotment Program," *Journal of Farm Economics*, May 1946, pp. 515-33.

⁴*An Analysis of Food Stamp Plans*, U. S. Department of Agriculture, Report transmitted to the President of the Senate and the Speaker of the House of Representatives, January 3, 1957, p. 25.

poultry, fish, canned and frozen fruits and vegetables, and dairy products (see appendix, Table 1, for percentage changes). Some of the additional expenditures were for increased purchases of services associated with food.

PROBABLE IMPACT ON AGRICULTURE. The Food Stamp Plan is not an effective device for disposing of surpluses. Probably the only major commodity for which further surplus accumulation would be arrested is dairy products. Some indirect benefits would accrue to feed grains if the stamp plan increased substantially the consumption of livestock products. Demand and supply elasticity studies indicate, however, that the cost of sufficient subsidies to result in such an increase under present income conditions would be prohibitive.

OBSTACLES. Problems include: converting the subsidies into purchases which are truly additions to, rather than replacements for, regular purchases, preventing the leaking back of supplies into commercial channels, and avoiding the stigma and other resented features of direct relief distribution with little or no provision for choice by the consumer.

The incentive aspects for the consumer are not clear. For some "easier" food may mean less work and productivity. The stamps may become an indirect subsidy for nonfood items—tobacco, alcohol, etc. However, to the extent that genuine poverty causes malnutrition, the additional availability of food could improve health, work effort, and productivity.

The School Lunch Program

During fiscal 1957, about 10.5 million of the 38.2 million children enrolled in schools were included in the school lunch program.⁵ These children were using 1,816 million pounds of food, valued at 562 million dollars.⁶ If we may assume that school lunches will increase their food consumption by approximately 20 percent, the supplementary effects would amount to 363 million pounds of food valued at 112 million dollars.⁷ If two-thirds of all school children could be included in the program, consumption could be increased by about 882 million pounds of food, having a value of 273 million dollars.

⁵This number does not include those receiving the "type C" meal of milk only.

⁶*National School Lunch Program, A Statistical Review of Program Progress, 1947-57, and The Direct Distribution Program, Statistical Summary of Operations*, Agricultural Marketing Service, U. S. Department of Agriculture, August 1957. Section 6 and local purchase quantities computed from the value per pound of the direct distribution supplies.

⁷Computations based upon the findings of Clarence Velat and others, *Evaluating School Lunches and Nutritional Status of Children*, Cir. 859, Federal Security Agency, U. S. Department of Agriculture, March 1951. The 20 percent figure is the best available. It may be too high as a larger percentage is drawn into the program.

However, not much of this type of added consumption is of foods currently held by the CCC (mostly grains and oils). Again, in view of the existing capacity to increase production of livestock products, fruits, and vegetables, the merits of the school lunch program appear to be mainly in improving diets and dietary habits of some children rather than raising farm prices through increased consumption.

Special School Milk Program

HISTORICAL BACKGROUND. A special school milk program was authorized in the Agricultural Act of 1954 and extended to June 30, 1961, with an authorized annual appropriation not to exceed 75 million dollars.

The main purpose of the program is to increase the consumption of fluid milk. The federal government reimburses the schools participating in the National School Milk Program up to 4 cents per half pint of additional milk consumed and up to 3 cents per half pint for those not in the school program.⁸ The program as applied to nonprofit summer camps and other child-care institutions provides up to 3 cents reimbursement per half pint of additional milk consumed.⁹

EFFECTS ON CONSUMPTION. About 18 million school children participated in the special milk or school lunch programs in 1957 and consumed 1.9 billion pounds of milk in that year.¹⁰ Total supplementary consumption of 1.5 billion pounds for those presently in the program and the 9 million potential participants, would be about 29 percent of the surplus or about 1 percent of total production.

This program, too, appears to have definite merits as an aid to improved nutrition for this age group. Disposing of about 2 percent of total milk production (of which about one-half might be supplementary) through such milk programs could be expected to increase prices and income slightly to dairy farmers, at least initially. Eventually improved prices would motivate higher output and the income gains through price would again be dissipated. On the other hand, some gains might be realized from increased quantities sold.

⁸*The Special Milk Program*, PA 248, Agricultural Marketing Service, U. S. Department of Agriculture, August 1956.

⁹*The Special Milk Program for Summer Camps and Similar Child-Care Institutions*, PA 334, Agricultural Marketing Service, U. S. Department of Agriculture, April 1957.

¹⁰*Extension of Special Dairy Programs*, Statement by the Deputy Director, Food Distribution Division, Agricultural Marketing Service, U. S. Department of Agriculture, before Dairy Products Subcommittee, H.R., 85th Congress, 2nd Session, Rpt. No. 1511, March 18, 1958.

SUBSIDIZING CONSUMPTION ABROAD

Under the circumstances described above, those concerned primarily with the third use of subsidies (i.e., disposal of surpluses) might be expected to look beyond our shores.

Studies of the impact and value of such programs are inconclusive.

In a poll of public sentiment in Iowa, 6,810 of the 8,312 respondents checked "foreign aid" as a possibility for cutting federal expenditures. "Businessmen and farmers" were especially critical of "wasting money on foreigners." Yet "maintaining peace" led the list of national policy issues considered most important.¹¹

We know of the great pressures to "use our God-given abundance to feed the poor starving people in other lands."¹² However, one writer has said:

It appears that the present approach (to subsidized exports) may be best characterized as one of finding suitable euphemisms (e.g., "competitive," "safeguarding usual marketings," "contribution to the dollar problem") to gloss over the overriding goal of inventory reduction. Although it may not be feasible for countries harmed by such a policy to retaliate, owing to the great disparity in their economic power vis-a-vis the United States, the damage to our international position will nonetheless be real and substantial.¹³

EXTENT OF THE PROGRAMS. For fiscal 1957 total agricultural exports amounted to approximately 4.7 billion dollars. The U. S. Department of Agriculture has stated that 40 percent of U. S. agricultural exports were under government programs. (See appendix, Table 2, for summary, 1941-57). Actually, in addition to the 40 percent, about 39 percent (see item 3 below) of the "commercially" exported commodities received some form of subsidy.

	<i>Billions</i>
Exported under government programs	\$1.9
Exported at domestic market prices	1.7
Exported at less than domestic market prices ¹⁴	1.1
	<hr/> \$4.7

¹¹Ogg, Wallace E. "The Interest of the Middle West in Foreign Aid," mimeograph prepared for Drake Midwest Assembly, 1957.

¹²For one view of the degree of need, see Farnsworth, Helen C., "The Role of Wheat in Improving Nutritional Status and Labor Productivity in Lesser Developed Countries," paper presented at the International Wheat Surplus Utilization Conference, South Dakota State College, July 21, 1958.

¹³Johnston, Bruce F., "Farm Surpluses and Foreign Policy," *World Politics*, October 1957, pp. 1-23.

¹⁴Estimated domestic market value of these commodities was 1.4 billion dollars. The difference of 300 billion dollars represents the additional cost of exporting the 1.1 billion dollars worth of agricultural commodities. The commodities involved were primarily wheat and cotton. In addition, all exports under Title I, P.L. 480, were sold abroad for foreign currencies at world market levels and required subsidy for wheat, cotton, feed grain, and dairy products.

The positive side to this argument is reflected in the considerable body of enabling legislation for subsidized exports. A look at specific operations may help in evaluating contributions.

Public Law 480

Public Law 480 with its supplements constitutes the main program now in operation to facilitate export of agricultural commodities.

Title I of P.L. 480 provides for sales of surplus farm commodities in exchange for foreign currencies. The objective is to help countries lacking dollar exchange buy our surplus commodities. These foreign currencies may be used for such things as: (1) market development for U. S. agricultural products, (2) purchase and stockpiling of strategic materials, (3) procurement of military equipment and services, (4) purchase of goods and services for use of other friendly countries, (5) payment of U. S. obligations, (6) financing of international educational exchange activities, and (7) promotion of multilateral trade and economic development (see appendix, Table 3, for breakdown of funds by use). Approximately 4 billion dollars have been authorized to date for use under Title I.

Title II, as amended, permits donations up to 800 million dollars of surplus commodities held by the Commodity Credit Corporation to friendly foreign countries in times of need. Title III authorizes donations of surplus foods in CCC stocks to nonprofit voluntary relief agencies, such as Care, the International Red Cross, etc.

MARKET DEVELOPMENT. Proponents of the program frequently cite its market development aspects as a positive contribution. They argue that under P. L. 480, new types of food and fiber have been introduced into the consumption patterns of many countries. For example, wheat has been added to diets in Japan, India, and other countries; poultry and frozen citrus in western Europe; and powdered milk in a number of countries.

Some critics suggest that our competitors will benefit as much as we do. However, this only serves to refute the charges of others that we are using P. L. 480 to gain an unfair share of world trade.

Subsidizing Foreign Sales of Wheat

All wheat exports are made under some form of subsidy. Shifting of resources from wheat production may meet with such domestic political resistance that foreign disposal will continue to be used as a remedy.

Farnsworth¹⁵ has pointed out that the multiple pricing of wheat has inflated prices for domestic consumers and reduced wheat utilization (mainly for feeding livestock). She notes that concessional sales probably increased world wheat consumption by 75-125 million bushels during 1956-57 and probably reduced world wheat carry-overs by 100 million bushels—in the existing situation. She suggests, however, that high supports and concessional sales have sustained high production despite acreage restrictions and marketing controls.

Subsidized Consumption and Economic Development

Subsidized disposal programs appear to offer some possibilities for furthering economic output and investment, but they also present problems. Wages are seldom paid “in kind.” Also, many of the raw products must be processed before consumption. Estimates are that accompanying aid of about 50 percent of the raw products must be given if a program of economic development is to succeed.

A Japanese study¹⁶ attempts to evaluate the impact of P.L. 480 and similar concessional sales on the economic system and commercial international trade of Japan.

This study points out that special precautions were taken to protect prices to local producers regardless of import prices. A significant decline in wheat acreage was attributed to world stocks and prices rather than U. S. subsidy action. Furthermore, a considerable share of the counterpart funds thus created were to be used for agricultural development, thus directly aiding the industry.

The study showed that the subsidy program aided materially in shifting consumption from rice to wheat and in increasing dry milk consumption. Total consumption was increased somewhat via economic development and improved income.

Another factor reported was the possible protection of dollar markets for “other” goods, since limited exchange did not have to be used for these items.

An Indian study¹⁷ examined possibilities of financing projects via subsidized food. One of the conclusions was that the longer the period for which surplus financing can be assured, usually the greater the proportion of total cost which can be financed in that way. Those making the study also felt that since the country was already making its maxi-

¹⁵Farnsworth, Helen C., *Multiple Pricing of American Wheat*, Food Research Institute, Stanford University, 1958.

¹⁶*A Note on the Utilization of Agricultural Surpluses for Economic Development in Japan*, ECAFE/FOA, Bangkok, 1958.

¹⁷*Uses of Agricultural Surpluses to Finance Economic Development in Under Developed Countries*, A Pilot Study in India, Commodity Policy Studies, No. 6, Food and Agriculture Organization of the United Nations, 1958.

mum effort, the subsidized items would result in increased consumption rather than depressed prices.

World Food Reserve¹⁸

Another approach to stabilizing consumption abroad is collective multi-nation action through the United Nations. Advocates of this approach argue that it would avoid the stigma of self-interest attached to most of our current unilateral or bilateral programs.

World food stabilization reserves or buffer stocks of foodstuffs or foodstuffs and credit combined would be maintained. Supplies would be purchased when they were plentiful and their prices relatively low, and they would be released when they were scarce and their prices relatively high. Buffer stocks could be maintained only for relatively non-perishable commodities, with fairly high value in relation to bulk, such as wheat, corn, rice, linseed, peanuts, coffee, tea, cocoa, and sugar.

Such a program offers considerable hope for stabilizing prices and raising income, handling short-term surpluses and providing for emergencies such as famine, improving distribution of food supplies and increasing consumption, and improving general health and nutrition.

Obstacles are: (1) Initial capital required for such a program would be several billion dollars, with additional contributions to keep the pool supplied. (2) Governments holding large stocks of certain commodities, which influence the world market, may be reluctant to have their stocks internationalized. (3) The absence of general currency convertibility may detract from the plan. (4) A management problem is associated with distinguishing between short-term market fluctuations and the long-term trend, the latter being beyond the program limits. (5) Multi-commodity arrangements for use of stockpiles as backing for international money may interfere with national economic and financial policies and many not be politically acceptable. (6) The agricultural problems of the United States and some other surplus producing countries are more long run than short run and would be aided little by this type of program. In fact, as far as the United States is concerned such a program might provide incentive for further expansion of an already overexpanded industry.

The Impact of Subsidies Abroad

The economic and political impacts of subsidized consumption abroad are much too broad and complex to be treated adequately here. Also, we do not have adequate research on which to base our judgments.

¹⁸See *Functions of World Food Reserve: Scope and Limitations*, Commodity Policy Studies, No. 10, Food and Agriculture Organization of the United Nations, 1956.

The doubts and questions raised by many students of trade and foreign policy are reflected in the following summary of a statement by Professor Witt:¹⁹

1. We hear comments about world food prices being stabilized in the face of increasing demand. It also appears that world agricultural prices have not risen as much or as fast as have industrial prices. Does this mean we have exported our agricultural problem to the rest of the world? In the absence of P.L. 480 what would our farm program be today?

2. Has the P.L. 480 program increased the total volume of economic development or has it simply replaced dollars which would otherwise have been available.

3. In some countries the value of currency accumulation may approach the revenue of the national treasury. This poses real problems for local authorities since their control over the use of these funds is limited.

4. If local currencies are used in place of dollars for U. S. Government expenditures in the receiving country, there is no net increase in trade. If dollars were used, the receiving country would be free to decide what to buy from us with these dollars.

5. We don't know what we are doing in any accepted social science sense. An action agency can hardly be expected to evaluate itself critically, and no one else has been asked to do the job.

SUMMARY

Subsidies to aid nutrition at home seem to offer hope in some instances for that small share of the population whose dietary deficiencies are a result of low income. Just how this subsidy might best be used to achieve maximum benefits at acceptable cost is another matter. Perhaps what is needed for this small group is a better program of economic assistance and a broader program of social care.

The school lunch program, in spite of some difficulties, shows a definite positive balance and may have progressed to the point where it could, if necessary, stand on its own merits without the surplus disposal motivation. Nutritional improvement through education, example, and habit may be one of the greatest positive contributions of the school lunch program, especially in the case of milk. Improved educa-

¹⁹Witt, L. W., "We Know Not What We Do," Statement made at the International Wheat Surplus Utilization Conference, South Dakota State College, July 25, 1958.

tion may be one of the more constructive forms of subsidy, meriting the investment of additional resources.

Subsidized domestic consumption appears to offer little hope as an aid to surplus disposal and income improvement at present income and employment levels. And any temporary price-income improvements resulting from increased consumption would be largely dissipated through the supply response from our production plant.

Subsidizing consumption abroad as a means to improve nutrition presents a many-horned dilemma. Contributing to the difficulty is a confusion of ends as well as means. Among other things we must decide whether we are prepared to encourage the continued expansion of our agricultural plant and pay the direct and indirect costs. In addition to inadequate supplies, many countries have problems of distribution, local customs and taboos, purchasing power, and many other difficulties. Getting food to the consumer under these conditions can be costly, but other costs are also involved. Can we afford to consider economic costs only? May other considerations of a domestic and foreign policy nature be overriding? The stake of the United States in the economic development of less developed areas cannot be denied. Constructive assistance programs can serve as an effective arm of our foreign policy. Assistance in the form of surpluses may be more acceptable to the American public than dollars. Thus, subsidies as a means of surplus disposal abroad appear to hold some promise but pose further challenges.

The major current instrument for subsidizing consumption abroad (P.L. 480) was conceived as a temporary measure. If it is to serve more permanently as a means to longer run goals, certain changes should be considered:

1. Many people seem to agree that perhaps the most important change needed is the time factor. Title I agreements might well be made as much as five years ahead to enable recipient countries to develop firm plans for development projects and handling counterpart funds.

2. The sections of P.L. 480 designed to protect commercial trade should be strengthened to afford as much protection to exports of friendly competitors as to the U. S.

3. Substitution of counterpart funds accruing under Title I for expenditures otherwise made in dollars should be minimized.

4. Barter deals should be restricted and additional precautions taken to insure that "additional consumption" clauses are observed.

5. The need for accompanying dollar aid should be recognized and subsidy agreements broadened where possible to include a variety of products having a complementary effect.

6. Social science research on the development process and the impact of such programs should be encouraged.

7. Perhaps in the foreign area we should be more concerned about how much attention is focused on transfers of capital. Real development requires that capital and advances in technology be accompanied by changing attitudes, desires for progress and stability, sacrifices for education, respect for science and scientists, and progress in concepts of social justice.

The results of our programs of donations, sales for foreign currencies, and sales abroad at reduced prices depend on the way we employ them. If the extent of the program and the products included are determined by the surpluses which press on markets, the guiding objective is surplus disposal to improve farm incomes. If the primary objective is improving diets, emphasis would be placed on the kinds and amounts of products which serve best that purpose. Clearly our programs to date have been aimed mainly at surplus disposal and basic changes do not seem to be contemplated. Even so, we have a challenge to use our surpluses to promote our broader foreign policy objectives—economic, social, and humanitarian.

APPENDIX

TABLE 1. PERCENTAGE CHANGES IN THE TOTAL QUANTITY OF FOOD PURCHASED WITH INCOME SUBSIDIES*

Food Groups	Income Groups Raised**		
	Under \$1,000 to 1,000— 1,999	Under \$2,000 to 2,000— 2,999	Under \$3,000 to 3,000— 3,999
Dairy products	1.7	6.8	12.1
Bakery products	1.6	4.7	10.2
Fruits and vegetables	1.6	4.9	7.6
Meat, poultry, fish, and eggs	1.8	5.2	7.4
Fats and oils	.3	.9	1.6
Sugar and sweets	.2	—1.5	— 2.4
Flour and cereals	—3.5	—9.3	—19.1
Index of per capita food consumption	1.3	4.0	5.7

*Household of 2 or more persons. Calculated from "Food Consumption of Households in the United States," Rpt. No. 1, Household Food Consumption Survey, 1955, U. S. Department of Agriculture.

**Income after taxes.

SOURCE: Wetmore, J. M., and Cochrane, Willard W., "Can Increased Food Consumption Decrease Surpluses?" *Minnesota Farm Business Notes*, University of Minnesota, November 25, 1957.

TABLE 2. FARM PRODUCTS EXPORTED UNDER FOREIGN AID AND
SURPLUS DISPOSAL PROGRAMS, 1941-57

Year	Agricultural Exports	Under Aid Programs		Percentage Under Aid Programs
		Amounts	Major Aid Programs	
	<i>Billions</i>	<i>Billions</i>		
1941-42	\$1.0	\$0.7	Lend-lease	70
1942-43	1.5	1.2	Lend-lease	80
1943-44	2.3	1.8	Lend-lease	78
1944-45	2.2	1.6	Lend-lease	76
1945-46	2.9	2.0	Lend-lease UNRRA	69
1946-47	3.6	2.0	UNRRA, United Kingdom loan	56
1947-48	3.5	1.9	Interim aid, army civilian supply	54
1948-49	3.8	2.3	ECA, army civilian supply	60
1949-50	3.0	1.8	ECA	60
1950-51	3.4	1.2	ECA	35
1951-52	4.0	.9	ECA	22
1952-53	2.8	.5	ECA	18
1953-54	2.9	.7	FOA, foreign currency sales	24
1954-55	3.1	.8	Currency sales, grants	26
1955-56	3.5*	1.4	Currency sales, grants	41
1956-57	4.7*	1.9*	Currency sales, grants	40

*Estimated from Foreign Agricultural Trade Digest, July 1957.

SOURCE: Witt, Lawrence W., Testimony before Subcommittee on Agricultural Policy, Joint Economic Committee, Congress of the United States, November 22, 1957, p. 586.

TABLE 3. PLANNED USES OF FOREIGN CURRENCY UNDER TITLE I, PUBLIC
LAW 480 AGREEMENTS SIGNED FROM BEGINNING OF
PROGRAM THROUGH DECEMBER 31, 1957*

Category of Use	Total Agreements	Uses as Percent of Total
	<i>Millions</i>	
Market development	\$ 38.9	1.7
Purchase of strategic material	2.0	.1
Military procurement	249.5	10.9
Purchase of goods for other countries	42.8	1.9
Grants for multilateral trade and economic development	61.5	2.7
Loans to private enterprise	35.7	1.5
Payment of United States obligations	573.1	25.0
Loans to foreign governments	1,252.3	54.6
International educational exchange	23.2	1.0
Translation and publication	3.3	.1
Information and education	12.5	.5
Total amount programmed (market value including ocean transportation)	2,294.8	100.0

*Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made. Amounts are in dollar equivalents at the deposit rates of exchange.

SOURCE: House of Representatives, 85th Congress, 2nd Session, Document No. 323, Message from The President of the United States transmitting the Seventh Semiannual Report on Activities Carried on Under Public Law 480, 83rd Congress, as Amended for the Period Through December 31, 1957, p. 40.